DISCUSSION.

CARROLL D. WRIGHT: I have listened to Mr. Justi's paper with intense satisfaction, and with gratitude also. For many years I have been a very thorough believer in the efficacy of joint meetings of employers and employees and of all efforts to avoid labor conflicts through the instrumentality of voluntary joint committees. The plan which has been so thoroughly and admirably outlined by Mr. Justi, and which has been put in operation in the coal industry in the State of Illinois, must commend itself to all fair-minded men. I cannot offer any criticisms of the paper but wish to commend it fully and cordially. When it is known that during the past twenty years the cost of strikes and lock-outs, including the wage loss of employees the assistance to employees by labor organizations, and the loss of employers, amounts to the enormous sum of $468,968,581, and that the total number of strikes during that period was 22,793, involving 117,509 establishments and throwing out of employment 6,105,694 employees, it would seem that no effort, consistent with high moral standards, to prevent these great losses and hardships should be neglected.

For many years a large proportion of the great industries of Great Britain have adopted plans similar to those presented by Mr. Justi, and with the most gratifying results. In this country the founders, the stove manufacturers, the mason building trades of Boston, the boot and shoe trade, and some others have worked under similar plans, and with no strikes or lockouts. Following these great experiences, the Publishers' Association and the Typographical Union have made contracts looking to the avoidance of all conflicts. The managers of

the coal mining industry in Illinois are to be congratulated upon their wisdom in adopting the methods Mr. Justi has explained. I have no doubt that other great associations of manufacturers and wage-earners will follow these experiences, and I am sure that as soon as employers' associations understand the real benefits of dealing with organized labor they will not hesitate to adopt similar plans.

Of the 22,793 strikes occurring during the last twenty years, 14,457 were ordered by organizations, and 52.86 per cent. of the strikes so ordered were successful; but it is not fair to say that a successful strike, so far as its particular conclusions are concerned, was successful, or that an unsuccessful strike, so far as its particular conclusions are concerned, was unsuccessful. There is something in the psychology of strikes which leads us far beyond the mere statement of cost as related to losses, either of employers or employees. The ethical effects of friendly settlement far transcend any financial results which can be considered, either from the favorable or the unfavorable point of view. The harmonious relations of laborers and capitalists are worth more than the success or the estimated losses of any or all strikes.

Dr. William Jacks, president of the West of Scotland Iron and Steel Institute, in his recent address before that body, says that under wise and prudent and far-seeing leaders, unions are good for the masters as well as the man, and he cites one chief benefit—the advantage of having a recognized head and executive with which to deal where such a large body of men is concerned. Then, he says, boards of arbitration can be established. And Mr. Pierpont Morgan, in one of the conferences relating to the recent steel strike, did not hesitate to say that he much preferred dealing with

an organized body of men than with a lot of irresponsible individuals. This position is the correct one, and must be recognized if industry is to avoid labor conflicts. This is seen very clearly in the light of some of the remarks made by Mr. Justi. He says that every strike that has taken place in our time, even where there have been bloodshed and destruction of property, has finally been settled in friendly council, and that the plan of the Coal Operators' Association in its contracts with the man is to prevent these senseless and costly strikes and the many differences and disputes arising between masters and men, which tend to place them in the attitude of enemies to each other, and to settle them in the same manner in which the most destructive strikes are finally settled, namely, by meeting in friendly council. This is consummate wisdom. What a commentary it is upon the experience of the past twenty-five years to know that finally most strikes are settled by the very method which should be taken in the initiative to prevent them. Mr. Justi makes it clear that the main idea of such investigations as he recommends is to bring out the exact conditions, and he states that when this is done they have found in Illinois that nearly all ordinary troubles adjust themselves before the joint boards have been in session any great length of time. It is, he states, all important, whenever disputes or differences arise, to take them up promptly.

Mr. John Mitchell, the president of the United Mine Workers, has stated publicly—and I use his exact words—that "nearly all, I may say all the strikes that have occurred in recent years would have been avoided if both sides could have got together and talked the matter over." Talking the matter over, however, involves organization. There is no use of talking it over with

individuals; the conference must be between the parties involved, and at the very outset when a greivance is presented. This is all important, and this association of economists will recognize more clearly than any other body of men the economic advantages of such action. The aggregate saving, as pointed out by Mr. Justi as the result of the Illinois coal operators' experiment, is such as to indicate no other sane course to pursue. He says that one quarter of a million dollars would be a low estimate of what has been saved in the past year to miners and mine owners, and that the experiments have been conducted at a trifling cost. The ethical result of the course adopted has been a better understanding of the two parties, for it has brought the mine owners themselves together in a closer union, to a more just appreciation of each other's rights, and to a recognition of the importance of organization among the employer class.

Organization among the employer class has not heretofore been with a view of settling difficulties, but more along the line of defense. The experience of the Founders' Association is in point. They organized for the purpose of defense and accumulated a large defense fund, but the association found that this was not practical, ethical, or economical. They, therefore, turned their organization to the light and undertook the settlement and adjustment of grievances in the initiative as worth more as a matter of defense than all the war methods which they could adopt.

Senator Hanna, who has had long experience in conducting great business enterprises, has made a declaration, not only of sympathy with labor as such, but of sympathetic recognition of their organizations, that will give great stimulus to this broad idea of joint dealing;

and his acceptance of the chairmanship of the executive committee of the National Civic Federation, whose specific purpose is not only the agitation of the benefits to be derived from the plan of labor conferences in general, but the organization of such conferences, is a step greater than any that has yet been taken to secure industrial peace. The objects of the committee are so high that they far transcend all arbitrary methods of adjustment, whether through the machinery of official boards of arbitration or courts of a compulsory nature.

There are one or two suggestions which I should like to add to those already made by Mr. Justi. One is that the constitutions of the associations of employers and employees should respectively incorporate an article comprehending the necessity of joint agreements. This is the practice of the Builders' Association and the labor orgnizations which are co-operating with that association. Each provides in its by-laws or constitution that all members of the association, by virtue of their membership, recognize and assent to the establishment of a joint committee of arbitration by and between the two bodies for the peaceful settlement of all matters of mutual concern to the two bodies and the membership thereof; and they provide, further, the specific machinery by which this agreement shall be carried out and specify the duty of the delegates which shall be elected respectively as members of the joint committee. This makes the whole matter of discussion and effort at adjustment a part of the organic law of the two bodies to the high contract.

The other suggestion is that each party should make provision for some disciplinary efforts when individual members of the respective associations disobey the constitution or by-laws in respect to joint agreements. This

is done in a way by the Illinois Coal Operators' Association and the labor organization with which it deals, but more can be done in this direction.

By these methods and their extension to various industries the time will come when a strike will bring either or both parties to it into public disrepute. I look for the time when the managers of a great industry or the leaders of a labor organization will feel ashamed to participate in an open labor war. This is the high moral plane which makes industrial peace. With a high moral plane secured, the economic results will surely follow.

While commending the paper in the strongest terms, I wish also to say that I am in thorough sympathy with Mr. Justi in his moderate strictures relative to my own position concerning the incorporation of labor unions. The weak point to which he refers—that in law it is well nigh impossible to impose upon laborers any prescribed labor conditions—I have long recognized; but there need not be any such imposition. There are not only great advantages in incorporation, but certain disadvantages. These disadvantages can all be removed by law relating to the incorporation of organized labor, limiting responsibilities under certain circumstances and conditions; but, on the whole, and recognizing the weak point mentioned, and recognizing also other points which Mr. Justi did not bring out, I still believe that the advantages of incorporation far outweigh the disadvantages.

The whole trend in England now is along the line of the doctrine laid down by the Law Lords recently that any body of persons, whether incorporated or not, a voluntary association or otherwise, that can work an injury should be held responsible in damages for the results of the injury. This looks likes an inimical de-

cision, but I believe that the philosophic, economic, and moral results will be that employers of labor everywhere, recognizing the advantages of the doctrine, will insist upon the organization of laborers, and thus put the two great elements absolutely essential to prosperity on an equal basis and on a dignified footing before the law.

E. DANA DURAND: The experiment in Illinois, which Mr. Justi has so well described to us, seems to me extremely interesting, because it is illustrative of a practice which certainly is going to grow rapidly in this country; which indeed has already gained a foothold in a good many industries other than coal mining; and which, as Mr. Wright has just told us, has made greater progress in Great Britain than in this country. I think there is one very significant thing to be gathered from the description of the practice in Illinois, and that is, that there are really two distinct classes of questions with which employers and employees have to concern themselves. Questions of the first class are of a general nature; they involve the terms of the labor contract. Questions of the second class are of a minor character; they have to do with the enforcement of the labor contract, or with its interpretation as regards details. The experience in England as well as in the United States seems to show that the greatest success is usually obtained where different machinery is provided for the adjustment of these two different classes of questions. Such different machinery is, as Mr. Justi shows us, provided in the coal industry, both as regards the interstate agreement, and more particularly as regards the Illinois system. That is, the general questions relating to the general contract are decided by one body; and the minor questions are decided by a different form of action and

a different body; both bodies, to be sure, representing the same organizations of employers and employees.

The annual joint agreement or contract is adopted by a large convention of coal miners and operators. The large membership of the convention seems a significant thing. It enables all interests properly to be represented, and all classes of operators and miners to understand the significance of the terms which are reached. The conference acts by unanimous vote. It does not act by a majority vote. The decision is confined wholly to members of the trade, employers and employees themselves, and in no case, in the mining industry, is any one outside of the trade and unfamiliar with the conditions called in to decide such important questions, affecting the welfare of hundreds of employers and tens of thousands of employees.

This then is the system of collective bargaining, as the phrase has been used in this country and Great Britain—the discussion of questions directly between employers and employees or their representatives. The practice in several other trades is in general similar to that in the coal mines. It is not to be considered arbitration in any strict usage of that term. It does not involve a decision by a person outside the trade of questions with which he can not be familiar.

The other class of questions, being of a minor character, need not be brought before a large body. Moreover they cannot be settled at definite periods of time, as from year to year. They arise at irregular intervals, when one or the other workman or employer brings up some question of interpretation, or attempts to violate the agreement. For a settlement of these minor matters there needs to be machinery constantly on hand; preferably a small-sized joint board

which may hear appeals. Of course the most of these minor differences can be settled by immediate conference between those directly interested, if only they are willing to confer; but if they cannot come to an agreement then appeal to a body of some dignity and permanence, with some independence because not directly concerned in the dispute, is likely to result in peaceful adjustment without the need of rendering a formal decision. Mr. Justi has shown that in most cases disputes, after a little investigation and negotiation, are settled without authoritative decision. It seems to me that this latter practice may properly be called conciliation, or, if you please, even arbitration. Such a joint board may find it necessary to render an authoritative decision, as it occasionally does in Illinois, and in some rare instances it is possible, and perhaps desirable, that failing a decision otherwise, these minor matters should be appealed to some outside authority to be chosen jointly by the parties interested. This is done at times in this country, and quite frequently in Great Britain. But it certainly is undesirable to resort to outside arbitration as regards general questions of the labor contract, unless in the most extreme necessity; and most employers and employees in this country believe that it is not wise to resort to arbitration by persons outside the trade at all as regards these greater questions.